

Department of Social and Health Services

DP Code/Title: M2-LQ Payment Review Program SSPS Data

Agency Wide

There are 4 Programs in this DP

Budget Period: 2001-03 Version: 22 2001-03 1st Sup Agency Request

**Recommendation Summary Text:**

Program(s): 010 040 050 110

This request supports the costs associated with the analysis of three years of Social Services Payment System (SSPS) data.

This decision package also proposes reinstatement of the assumed Payment Review Program savings for Fiscal Year 2002 associated with the Children's Administration, Division of Developmental Disabilities, and Aging and Adult Services.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	542,000	96,000	638,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	564,000	288,000	852,000
<b>Total Cost</b>	<b>1,106,000</b>	<b>384,000</b>	<b>1,490,000</b>

**Staffing**

**Package Description:**

Program(s): 010 040 050 110

The Payment Review Program (PRP), formerly known as the Payment Integrity Program, is a departmentwide program that utilizes advanced technological tools and software to prevent inappropriate provider billings, and improve fraud, abuse, and waste detection activities across multiple DSHS payment systems.

Currently, the PRP is successfully running algorithms and identifying overpayments and cost avoidance on three years of Medicaid Management Information System (MMIS) data. The program calculates that by using the existing system to analyze SSPS data, an additional \$1 million in savings can be realized in Fiscal Year 2003. This request funds SSPS data loads, maintenance of the system, and contracted Automatic Data Processing (ADP) professionals to program, develop, and maintain the algorithms.

This decision package also requests reinstatement of Fiscal Year 2002 savings taken in the 2001-03 final budget step for PRP. These savings could not be realized because of the complexity of the SSPS data. The following programs were assumed to have savings in Fiscal Year 2002.

010 Children's Administration  
040 Developmental Disabilities  
050 Aging and Adult Services

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Program(s): 010 040 050 110

The PRP activities are included on the DSHS Balanced Scorecard under Public Trust. DSHS is committed to find and minimize fraud and error, and will increase the total dollars saved (including recoveries and costs avoided) due to PRP activities. The funding requested will enable the department to move toward meeting the financial goals and expectations outlined in the DSHS Accountability Scorecard.

The mission of the Payment Review Program is to protect taxpayer dollars and the availability of services to individuals and families in need by coordinating an agencywide effort to identify, recover, and prevent inappropriate vendor billings and payments.

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This proposal allows the PRP to meet the agencywide goals by providing on-line access and advanced technological resources to SSPS data for the first time.

*Performance Measure Detail*

Goal: 20Z DSHS finds and eliminates fraud and error.

Incremental Changes  
FY 1 FY 2

No measures submitted for package  
No measures submitted for package  
No measures submitted for package  
No measures submitted for package

*Reason for change:*

Program(s): 010 040 050 110

SSPS data in its current form and location has proven too large and complex to efficiently analyze using regular packaged office software loaded onto a desktop computer. These funds will increase the efficiency of data analysis by utilizing the existing data warehouse and contracted ADP professionals so DSHS staff will be able to analyze SSPS data comprehensively for the first time.

*Impact on clients and services:*

Program(s): 010 040 050 110

When DSHS is able to efficiently manipulate and analyze the SSPS data, the department will be able to recover overpayments made to providers.

*Impact on other state programs:*

Program(s): 010 040 050 110

After analyzing the SSPS data set, there may be an increase in the number of cases identified that will require further investigation either by program areas or the Division of Fraud Investigations. More cases may place additional burdens on the program areas and the Division of Fraud Investigations.

*Relationship to capital budget:*

Program(s): 010 040 050 110

None

*Required changes to existing RCW, WAC, contract, or plan:*

Program(s): 010 040 050 110

None

*Alternatives explored by agency:*

Program(s): 010 040 050 110

The department considered analyzing the SSPS data for inappropriate payments internally with a data analyst using a desktop. However, it was found that the data is too large and complex to efficiently manipulate and analyze on a desktop computer. The existing system will be able to process all three years of SSPS data efficiently and effectively and pinpoint areas of inappropriate payments in the data.

The department considered not analyzing the SSPS data but contends that it is the department's duty as a steward of public funds to gauge the instances of inappropriate payments in social services. The department believes there is a large potential to detect and recover inappropriate payments in SSPS as well as making changes to existing policies so future inappropriate payments are not made.

*Budget impacts in future biennia:*

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Program(s): 010 040 050 110

Monthly data loads, ADP professionals, and system maintenance costs will require funding in future years.

*Distinction between one-time and ongoing costs:*

Program(s): 010 040 050 110

The ongoing costs are \$384,000 per year.

*Effects of non-funding:*

Program(s): 010 040 050 110

Without the capability of analyzing the SSPS data, DSHS risks the substantial loss of inappropriately paid social service dollars. By analyzing the SSPS data, DSHS will find areas of overpayments that can be recovered as well as areas where policy and billing changes will prevent future inappropriate payments.

If fraud, abuse and waste in SSPS are not defined and controlled, the department may potentially pay for services that clients are not receiving.

*Expenditure Calculations and Assumptions:*

Program(s): 010 040 050 110

State Fiscal Year 2002 Reinstatement of Savings Expectations:

	Total	GF-S
010 Children's Administration	\$ 59,000	\$ 29,000
040 Developmental Disabilities	\$294,000	\$144,000
050 Aging and Adult Services	\$753,000	\$369,000

State Fiscal Year 2003 Only:

Data loads (\$12,000/mo) \$144,000  
ADP Professionals (\$17,000/mo) \$204,000  
Ongoing data/ system maintenance (\$3,000/mo) \$36,000  
Total per year \$384,000

PRP system costs are covered at a 75 percent federal financial participation rate.

Object ER - Purchased Service - Fraud and Abuse Detection System (FADS) Contractor:

State	Federal	Total
\$96,000	\$288,000	\$384,000

**Object Detail**

**Overall Funding**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
E Goods And Services	0	384,000	384,000
N Grants, Benefits & Client Services	1,106,000	0	1,106,000
<b>Total Objects</b>	<b>1,106,000</b>	<b>384,000</b>	<b>1,490,000</b>

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**DSHS Source Code Detail**

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	542,000	96,000	638,000
<i>Total for Fund 001-1</i>		<u>542,000</u>	<u>96,000</u>	<u>638,000</u>
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	564,000	0	564,000
19UG	Title XIX Admin (75%)	0	288,000	288,000
<i>Total for Fund 001-C</i>		<u>564,000</u>	<u>288,000</u>	<u>852,000</u>
<b>Total Overall Funding</b>		<u>1,106,000</u>	<u>384,000</u>	<u>1,490,000</u>

**Funding Totals by Program**

Dollars in Thousands

<u>Program</u>	<u>FTE's</u>		<u>GF-State</u>		<u>Total Funds</u>	
	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>	<u>FY 1</u>	<u>FY 2</u>
010 Children's Administration	0.0	0.0	29	0	59	0
040 Div of Developmntl Disab	0.0	0.0	144	0	294	0
050 Long Term Care Services	0.0	0.0	369	0	753	0
110 Admin & Supporting Svcs	0.0	0.0	0	96	0	384
<b>Grand Total:</b>	<u>0.0</u>	<u>0.0</u>	<u>542</u>	<u>96</u>	<u>1,106</u>	<u>384</u>

Department of Social and Health Services

Budget Unit Summary for DP: M2-LQ-Payment Review Program SSPS Data

Budget Level Criteria: M2 Only  
DP Criteria: LQ

Version: 22 - 2001-03 1st Sup Agency Request

Data Type Criteria: Choose a DP

Dollars in Thousands		FTES			Fiscal Year 1			Fiscal Year 2			Total Biennium		
Budget Sprg Unit	FY 1	FY 2	Annual Average	General Fund State	Other Funds	Total Funds	General Fund State	Other Funds	Total Funds	General Fund State	Other Funds	Total Funds	
Program 010 - Children's Administration													
1000 C16 Adoption Program	0.0	0.0	0.0	29	30	59	0	0	0	29	30	59	
Total Proposed Budget for Program 010 - Children's Administration													
	0.0	0.0	0.0	29	30	59	0	0	0	29	30	59	
Program 040 - Div of Developmental Disab													
1000 H52 Personal Care	0.0	0.0	0.0	144	150	294	0	0	0	144	150	294	
Total Proposed Budget for Program 040 - Div of Developmental Disab													
	0.0	0.0	0.0	144	150	294	0	0	0	144	150	294	
Program 050 - Long Term Care Services													
2000 X61 In-Home Services	0.0	0.0	0.0	369	384	753	0	0	0	369	384	753	
Total Proposed Budget for Program 050 - Long Term Care Services													
	0.0	0.0	0.0	369	384	753	0	0	0	369	384	753	
Program 110 - Admin & Supporting Svcs													
8000 A80 Special Projects	0.0	0.0	0.0	0	0	0	96	288	384	96	288	384	
Total Proposed Budget for Program 110 - Admin & Supporting Svcs													
	0.0	0.0	0.0	0	0	0	96	288	384	96	288	384	
Total Proposed Budget for DP: M2-LQ-Payment Review Program SSPS Data													
	0.0	0.0	0.0	542	564	1,106	96	288	384	638	852	1,490	